

Amax Gold and U.S. Gold develop Hayden Hill in California

Amax Gold Inc. and U.S. Gold Corporation are moving forward with their joint venture Hayden Hill gold project in the northern portion of the Mother Lode belt in California.

Directors of both companies agreed in principle this fall to proceed with development of the Lassen County gold property, in which Amax Gold has a 60 percent operating interest and U.S. Gold has 40 percent.

Pending receipt of all necessary permits, construction of the \$73 million operation is expected to begin in early 1991, with initial production commencing in 1992.

The Hayden Hill project, which will include a conventional mill and a cyanide heap-leach processing facility, is to produce approximately 145,000 ounces of gold and 445,000

ounces of silver annually.

Current proven and probable ore reserves are estimated at 45.3 million tons averaging 0.032 ounces of gold and 0.22 ounces of silver per ton.

"We believe moving this project forward demonstrates our commitment to quality growth at Amax Gold Inc. This phase of the project has come to a satisfactory conclusion as a direct result of teamwork, which has resulted in a doubling of reserves and the designing of an economically attractive project," said Amax Gold's president and CEO, Tim Haddon.

"We are pleased to be working with a quality partner like U.S. Gold, and Amax Gold will continue to seek out these kinds of

opportunities in the future," Haddon noted.

"Our interest in Hayden Hill represents a significant element in U.S. Gold's growth," said William W. Reid, U.S. Gold's president and CEO.

"We continue to be impressed with and have strong confidence in Amax Gold as operator of Hayden Hill. We look forward to a mutually rewarding project," Reid added.

Currently, permitting efforts for Hayden Hill are under way and financing arrangements are under negotiation. "An Environment Impact Report and a federal Environmental Impact Statement are being initiated by Lassen County, the U.S. Bureau of Land Management and the Modoc National Forest," the two companies pointed out.

Renco buys AMAX Magnesium, second largest U.S. producer

By Joe Rolando
Salt Lake Tribune
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Salt Lake City-based AMAX Magnesium Corporation, a wholly owned subsidiary of AMAX Inc., has been acquired by The Renco Group Inc., a diversified company with revenues in excess of \$1 billion.

The announcement was made in a prepared statement by Donald H. Wilkinson, president of AMAX Magnesium, which will now be known as Magnesium Corporation of America, or Magcorp.

Wilkinson said, "Our staff will remain virtually unchanged, and Magcorp will continue to provide the same high-quality magnesium and service as AMAX has in the past."

Magcorp spokesman Lee R. Brown said between 550 and 575 employees work at the company's Rowley plant on the shores of the Great Salt Lake in Tooele County and its Salt Lake City headquarters at 238 North 21200 West.

Brown said Magcorp has essentially the same goals as its predecessor AMAX. Those, he said, are to live up to its commitment to the state and Environmental Protection Agency to clean up the Rowley plant's chlorine emissions and to provide the same quantity and quality of magnesium to customers.

Brown said Magcorp's Rowley plant is operating at about 36,000 tons of magnesium a year, making it the second largest producer—behind only Dow Chemical—of the lightweight metal in the United States. He said Magcorp is the third largest producer of magnesium in the free world.

Nors Hydro, a Norwegian company, is the second largest producer in the free world.

The primary business of Magcorp's parent, The Renco Group, is in the metals industry. With that in mind, Wilkinson said, "Magcorp pledges its continued reliability and longevity within the magnesium industry. The com-

pany has been purchased as a long-term investment and plans to play a major part in the next century's progress in the magnesium industry."

Earlier this year when it announced it wanted to sell its magnesium business, AMAX cited as the reason the desire for it to focus on principal businesses, such as aluminum and

coal.

AMAX bought the Utah magnesium operation from NL Industries in 1980. NL had endured costly startup costs for more than a decade.

But the operation finally reached profitability by the early 1980s.

Of Mines And Men

Hecla upgrading mill at its Republic unit

The mill at the Republic Unit of Hecla Mining Company in northeast Washington is being upgraded to increase capacity and replace some old equipment.

A fines treatment circuit is being installed in the crushing plant to improve mill throughput and evenly feed fines to improve operational and metallurgical control in grinding and flotation.

"Our ore is some of the nastiest I have ever seen—it's incredibly sticky," said John Rajala, senior metallurgist. Currently, ore must be washed before crushing or it plugs the system.

The ball mill will be lined with modern rubber liners, doing away with the old lining of steel rails and concrete.

Hecla said mill throughput is expected to increase from 240 tpd to 270 tpd. The project will cost about \$400,000, but additional gold recovered from the extra 30 tpd should cover the cost in two months.

A counter-current decantation circuit, to be completed in December, will eliminate the large amount of current downtime for maintenance and increase average overall recoveries by 0.9 percent for gold and 1.5 percent for silver. It also will help prepare for a potential mill expansion to 500 tpd.

The mill has been changed very little since

1941 when a flotation circuit was added to the original cyanide circuit. The mill was first commissioned in May 1937 and is a nostalgic example of the way mills used to be built with tightly fitted timber post-and-beam construction on a steep hillside.

Utah may change policy in management of state lands

Val Oveson, lieutenant governor of Utah, said recently the state will consider a new policy of managing state land more like multiple-use land, rather than single-purpose, revenue-generating land.

The state should consider giving its land managers authority to give equal weight to recreational and other uses, he told a conference on public lands.

BLM may shut door on much more mineral land in Utah

The Bureau of Land Management has released its proposed resource management plan and final environmental impact statement for the San Rafael Resource Area in the Moab District, covering some 1.5 million acres of land in southeastern Utah.

The new document proposes closing 68,600 acres of land to mineral entry, up dramatically from the 6,750 acres designated in the earlier draft version.